

this section to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division. The report shall include how rebasing can effectively replace the existing system for providing inflationary increases for skilled nursing facilities.

MEDICAID SPECIAL FUND TRANSFER

SECTION 10.40. Of the funds transferred to the Department of Health and Human Services for Medicaid programs pursuant to G.S. 143C-9-1, there is appropriated from the Medicaid Special Fund to the Department of Health and Human Services the sum of forty-three million dollars (\$43,000,000) for the 2007-2008 fiscal year and the sum of forty-three million dollars (\$43,000,000) for the 2008-2009 fiscal year. These funds shall be allocated as prescribed by G.S. 143C-9-1(b) for Medicaid programs. Notwithstanding the prescription in G.S. 143C-9-1(b) that these funds not reduce State general revenue funding, these funds shall replace the reduction in general revenue funding effected in this act. The Department may also use funds in the Medicaid Special Fund to fund the settlement of the Disproportionate Share Hospital payment audit issues between the Department of Health and Human Services and the federal government related to fiscal years 1997-2002, and funds are appropriated from the fund for the 2007-2009 fiscal biennium for this purpose.

MMIS+ DEVELOPMENT AND IMPLEMENTATION/REPORTING

SECTION 10.40D.(a) The Department of Health and Human Services (Department) shall make full development of the replacement Medicaid Management Information System (MMIS+) a top priority. During the development and implementation of MMIS+, the Department shall develop plans to ensure the timely and effective implementation of future enhancements to the system to provide the following capabilities:

- (1) Receiving and tracking premium or other payments required by law.
- (2) Compatibility with the administration of NC Health Choice, NC KIDSCare, the State Employees' Health Plan, the Health Information System, and Medicaid waivers and the Medicare 646 waiver.

These enhancements shall not delay the procurement or implementation of the core system but shall be included as an additional phase in the development and implementation of the multipayor initiatives included in the MMIS program currently under development between the Department, the Federal Centers for Medicare and Medicaid Services, and the Office of Information Technology Services (ITS). The Department shall make every effort to expedite the implementation of the enhancements. ITS shall work in cooperation with the Department to ensure the timely and effective implementation of the core system and enhancements.

SECTION 10.40D.(b) Notwithstanding G.S. 114-2.3, the Department of Health and Human Services shall engage the services of private counsel with the pertinent information technology and computer law expertise to review requests for proposals and to negotiate and review contracts associated with MMIS+.

SECTION 10.40D.(c) The Department shall make interim and final reports on the development and implementation of MMIS+ to the Joint Legislative Oversight Committee on Information Technology, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations